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earlier acts. The first and model act of general incorporation was that passed in New York, March 22, 1811. It was followed in many other jurisdictions, notably Massachusetts in 1836, Connecticut and Michigan in 1837, Indiana in 1838, and Great Britain in 1862. It is not strictly accurate to say that "under the common law the stock of one corporation could not be held by another." In England, the home of the common law, a company can buy and hold shares in another company if so provided in its articles of association and such is the rule also in several of the American states. Indeed, almost everywhere a corporation can take such stock in payment of a debt, and often the stock of a corporation whose products it needs for its own legitimate purposes. Such was the law of New York from 1853. The extent of this stockholding power and its limitations cannot be stated summarily.

But the mistakes in this volume are so few and the excellencies are so many and so great, that there is little occasion for criticism and abundant opportunity for cordial acceptance of the work of President Van Hise.

FRANCIS LYNDE STETSON.

Big Business and Government. By CHARLES NORMAN FAY.
(New York: Moffat, Yard and Company. 1912. Pp. vi,
201. \$1.00.)

Mr. Fay's work, according to his own statements, is intended to give the public in brief and simple words, specific instances showing "how and why business grows big—how far it controls the market and what have been the actual net results to hated Wall Street and our beloved selves of the so-called 'gigantic monopolies' which have so long and well served as stock in trade for politicians and the reformer of other men's misdeeds." In accordance with this purpose, Mr. Fay's book is devoted to incidents illustrating the tactics of the big corporations and the methods which have been followed by the so-called independents in their struggle to maintain themselves.

From personal experience, the author shows how a small company in Northern Michigan outwitted the Powder Trust; how the Chicago Telephone Company established a monopoly in Chicago and after the combination advanced the rates without incurring public hostility; how the Chicago Gas Trust Company was formed, legally dissolved by the Illinois courts, and almost

immediately revived by special act of the legislature, and, it is intimated, was the source of a jack-pot of \$200,000 for distribution among the politicians. He also shows how the Typewriter Trust was formed, how the new independents grew up beside it and destroyed the monopoly which was formed by the combination. He relates some interesting incidents showing Carnegie's remarkable foresight and ability as a manager. He then selects a group of the leading industrial corporations and divides them into classes according to their success, as shown in dividends on the common stock. From this investigation, he concludes that only those corporations which have been managed with consummate ability, have been able to achieve financial success. Monopolistic control of industry through combinations, he concludes, has been a gigantic failure. Special privileges are but examples of keen business management. In general the so-called trusts achieve success because of efficiency and power in competition. The tariff, however, has, in his judgment, been an important factor in the development of monopolistic combinations. The labor trusts have failed to corner labor as the industrial trusts have failed to corner the market.

Mr. Fay's conclusions would be re-assuring to the conservative citizen but for the fact that he is continually calling attention to the economic waste brought about by the system which he describes and advocates. For this reason, his book is likely to strengthen the views of those who believe in corrective legislation rather than of those who believe in the return to the conditions of unregulated competition.

MAURICE H. ROBINSON.

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A Comparative Study of the Law of Corporations, with Particular Reference to the Protection of Creditors and Shareholders. Columbia University Studies in History, Economics and Public Law, Vol. XLIX, No. 2. By ARTHUR K. KUHN. (New York: Longmans, Green and Company. 1912. Pp. 173. \$1.50.)

This monograph is the result of a research conducted at Columbia University under the auspices of the Legislative Drafting Association. It contains chapters on corporations in ancient times, in the Middle Ages, and in England. The main part of the work is, however, devoted to a careful critical analysis of the pro-